



# Public Utility Workers' Union of TUC - Ghana

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## **PRESS CONFERENCE OF PROPOSED PRIVATE SECTOR PARTICIPATION IN ECG AND NEDCo BY GOVERNMENT**

### **INTRODUCTION**

Good morning, Ladies and Gentlemen of the Press. You are most welcome to this press conference; thank you for attending. This press conference concerns the government's attempt to privatize the ECG.

Ladies and Gentlemen, on Monday, April 6, 2025, our attention was drawn to a Radio Ghana interview granted by the Minister of Energy and Green Transition aired on the 06:00 pm news. In the interview, the Minister sought to solicit public support for the government's intended Private Sector Participation (PSP) in the energy distribution sector. The Minister further sought to suggest that there are inefficiencies at the retail end of ECG's operation.

We do not deny that there are inefficiencies in the operations of ECG and, for that matter, the State-Owned Enterprises. It is, however, disingenuous for anyone to suggest that the inefficiencies are only at the retail end of ECG. Such a proposition is only valid in the minds of people and groups who have decided that the "retail operations" of ECG must be privatized at all costs.

Our position paper that was presented to the Ministerial Committee spelled out issues that face the energy sector in general and the power distribution sector in

particular. The paper also outlined in detail how some of these challenges could be addressed. As a Union, we were very explicit in our position concerning the management of ECG and other power distribution entities of our economy.

## **CHALLENGES FACING THE ELECTRICITY DISTRIBUTION SECTOR (ECG)**

In our position paper, we highlighted the following challenges facing the energy sector, ECG, and the electricity distribution sector.

- a. The dreadful financial impact of the existing take-or-pay contracts and the rushed procurement of excess generating capacity on the electricity sector in the last few years.
- b. Revenue collection bottlenecks largely attributed to metering challenges, including but not limited to uncaptured meters, "political meters" arising out of the SHEP, multiples of meters, and persistent shortage of meters compelling potential customers to find their meters and connect 'illegally' to the grid.
- c. High cost of electricity procurement. Ghana procures electricity generating capacity at a far higher price than its peers in the African region. The country also procures electricity generation in dollars and sells the same in cedis. Given the high volatility of the exchange rate, the quarterly tariff adjustments by PURC have not been sufficient to address the exchange rate losses.
- d. Excessive government and political interference in the management of ECG. The interference manifests in several forms. The frequent changes of Managing Directors (MDs) in the sector are a concern and challenge. In the past 15 years, ECG has had seven MDs, who often come with their ethos and are usually "politically" empowered to disregard ECG's strategic plans and established practices and norms.



- e. Ineffective corporate governance in the sector. In the last few years, Chief Executive Officers and Managing Directors of State-Owned Enterprises (SOEs) in the energy sector have been appointed independently of the sector minister. In effect, some of the MDs became more powerful or felt so to a point where they could “safely” disregard ministerial directives.
- f. Appointment of Board of Directors without recourse to competencies and merits. In recent times, the norm in Ghana is that appointments to the Board of Directors of SOEs is a matter of political selection rather than merit.
- g. The energy sector is engulfed by a culture of political appointees dictating the types and sources of major procurements such as meters and service materials including cables, conductors, and poles. This has often resulted in the procurement of multiple, sub-standard meters and other equipment in the sector.
- h. The Ministry of Energy through SHEP installs over 100,000 post-paid meters every year across ECG operational areas, sometimes on the blind side of ECG. This practice worsens ECG’s technical and commercial losses.

### **SUSTAINABLE ALTERNATIVES TO THE PRIVATISATION OF ECG**

Our paper to the Ministerial Committee suggested alternatives, which we believed would help transform the fortunes of ECG and NEDCo and obviate the need for privatization.

First, we recommend a stakeholder Board that brings the insight and expertise of the major Think Tanks and social groups, including labour, to bear on the operations of ECG and NEDCO. This will provide the necessary checks and balances for improved efficiency. We also recommend that the presidency should delegate Board appointments to the Minister responsible for the sector.

Second, the MD of ECG must be given clear deliverables and must be held to strict account on those deliverables. PURC and SIGA are expected to create, monitor, and ensure the realization of such deliverables.

Third, the position of the Energy Ministry must be strengthened regarding the SOEs in the energy sector. Stated differently, the ministerial oversight of critical decisions must prevail in the sector.

Fourth, the procurement of electricity generation capacity must be done through open competitive tender. Generation tariffs must also be renegotiated in cedis and not dollars.

Fifth, the sanctions regime under the PURC Act needs to be reformed to make it possible for PURC to sanction individuals holding key positions in the energy sector for dereliction of responsibility and/or abuse of authority.

Sixth, the Ministry of Energy must reform the SHEP to make ECG a key partner in the implementation or delivery of the project.

Last but not least, we urge the government to take proactive measures immediately to end all forms of political interference in the energy sector, including the management of ECG.

## **CONCLUSION**

It must be emphasized that ECG remains a critical national asset, essential for driving Ghana's economic development, ensuring national sovereignty and energy security, and fostering social equity. While the challenges facing ECG are significant, ranging from political interference to operational inefficiencies, privatization/PSP is not a viable or sustainable solution.

The historical failures of privatization efforts in Ghana and across Africa demonstrate that surrendering public utilities to private investors often exacerbates existing inefficiencies, compromises national sovereignty, creates unemployment, implicates labor rights, and threatens energy security.

We believe that addressing ECG's challenges requires targeted reforms that will tackle the root causes of inefficiencies, such as depoliticizing management, enhancing accountability, and implementing effective controls in the energy value chain.

The need for urgent renegotiation of IPP contracts from take-or-pay to take-and-pay, competent and merit-based appointments, ECG's participation in the SHEP implementation, and the modernization of infrastructure can transform ECG into a financially viable and operationally efficient entity.

The government of Ghana should give opportunities earmarked for the private sector to ECG and also allow the company to borrow from the capital market can provide the necessary capital to strengthen the Company's operations while maintaining public ownership.


Ultimately, the government should prioritize the long-term interest of its citizens by ensuring that ECG remains under public control. This guarantees affordable and equitable access to electricity, preserves national sovereignty, protects jobs, and supports broader socio-economic development. A comprehensive strategy that strengthens ECG as a public utility can safeguard Ghana's energy future while fostering growth, resilience, and prosperity for all.

Finally, in line with the resolution passed at the TUC 10th Quadrennial Delegates Congress held in August 2016 at KNUST, the TUC and its affiliates will resist any attempt by the Government to cede ECG/NEDCo, in whole or in part, to any private entity to operate. For the avoidance of doubt, the TUC and its affiliates consider privatization and private sector participation as the same.

Thank you for your attention.

Yours fraternally,

FOR: PUWU OF TUC (GHANA)

  
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GENERAL SECRETARY

Cc: SECRETARY GENERAL – TUC of GH

NATIONAL CHAIRMAN-PUWU